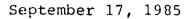


Paul Hopkins, Chairman Lee B. M. Biggart, Commissioner Ralph Roming, Commissioner







CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Allyn Carnam, Esq.
Olin Corporation
P. O. Box 30-275
New Haven, Connecticut 06511

Mr. Fred Stumpf, Esq.
Oliver, Stumpf, et al.
1400 Post Oak Boulevard, Suite 400
Houston, Texas 77056

RE: Olin/S. P. Oliver Site Wallisville Road Houston, Texas

Mr. Robert Maher, Esq. Crain, Caton, James and Womber 3200 Two Houston Center Houston, Texas 77056

Mr. Phil Haag, Esq. Hooper, Robinson and Moeller 706 Perry Brooks Building Austin, Texas 78711

ONG COLOR & PROMINER

Gentlemen:

The purpose of this letter is to apprise everyone of my understanding regarding your negotiation with respect to cleanup of the above-referenced site.

First, Mr. Fred Dalbey, Hazardous and Solid Waste Division, Texas Water Commission, has reviewed the Scope of Work Description (copy attached), sent to me by Mr. Allyn Carnam under cover letter dated September 3, 1985. Mr. Dalbey finds the Description acceptable.

I discussed the matter with Mr. Dan Craddock, representing Eureka Investments, on September 11, 1985. He indicated that Eureka has sought updated bids based on the Scope of Work Description sent to him by Mr. Carnam on or about August 19, 1985. Mr. Craddock awaits a response but anticipates that Eureka will be prepared to discuss the signing of an agreement sometime during the week of September 16, 1985.

I also discussed the matter with Ms. Carole Gallagher, representing Southern Pacific Company, on September 11, 1985. She indicated that Southern Pacific is now ready to "hammer out" an agreement, based on the Scope of Work Description sent by Mr. Carnam.

I attempted to contact Mr. Allyn Carnam, as well as Mr. Jim Anderson, of Olin Corporation, on September 11, 1985, without success. I assume, however, that since Olin drafted the Scope of Work Description, it finds the proposal acceptable and is ready to negotiate.



Messrs. Carnam, Maher, Stumpf, and Haag Page 2 September 17, 1985

Meanwhile, I have discussed the matter with representatives of the U.S. Environmental Protection Agency (EPA). They are firmly convinced that the entire matter has taken too long to resolve, and I anticipate that the EPA will have a crew on the site to assess what must be done by the time you receive this letter. Without an expeditious resolution and action, we believe the EPA is likely to initiate cleanup.

If there are any incorrect representations in this letter, please notify me immediately. Otherwise, I look forward to hearing that an agreement has been signed, and that cleanup is imminent. I expect that everyone will keep communication lines open. If there are problems with which I can help you, please call me at (512) 463-7726.

Sincerely,

Jim Halev

Staff Attorney

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Legal Division

cc: U. S. Environmental Protection Agency, Region VI, 1201 Elm Street, Dallas, Texas, 75270, Attn: David Sullivan Mr. Louis S. Zimmerman, Esq., Fulbright & Jaworski, 1150 Connecticut Avenue N.W., Washington, D.C., 20036

Mr. Clarence Johnson, District 7

Mr. Fred Dalbey, Hazardous and Solid Waste Enforcement